

FIRST 5 COMMISSION OF SAN DIEGO
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San Diego, CA 92123
(858) 285-7710

FINANCE COMMITTEE MEETING MINUTES

September 25, 2024

Members Present:

Ricardo Macedo, Chair
Charissa Japlit
Richard (RC) Kinzly
Julie Bjerke

Staff Present:

Alethea Arguilez, Executive Director
Martin Cherry, Operations Manager
Fortune Cheng, Fiscal Manager
Karen Hays, Administrative Secretary

Members Absent:

Tracy Drager

Alternate Member(s) Present:

Kevin Foley

1. Call to Order

Chair Macedo called the Finance Committee meeting to order at 9:00am.

2. Opportunity for Public Comments

There were no public comments received.

3. Recusal Reminder

Chair Macedo reminded the Finance Committee Members to recuse themselves from voting on any agenda items that have a real or perceived conflict of interest.

4. Approval of Finance Committee Meeting Minutes from April 11, 2024.

ON MOTION OF Member Bjerke, seconded by Member Japlit, the Committee approved the minutes for the April 11, 2024 meeting.

AYES: Macedo, Japlit, Bjerke, Kinzly
ABSENT: Drager
ABSTAIN: None
NOES: None

5. Annual Financial Report (AFR) for FY 2023-24

Martin Cherry, Operations Administrator of First 5 San Diego, led a presentation and review of the final draft of the FY 2023-24 Annual Finance Report (AFR) audited by Moss, Levy, and Hartzheim. The Principal Auditor, Hadley Hui, presented the audit via Zoom.

ON MOTION OF Member Japlit, seconded by Member Bjerke, the Committee approved the Annual Financial Report (AFR) for FY 2023-24

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6. Commission Financials Approval

Fortune Cheng, Fiscal Manager of First 5 San Diego led a review and discussion of Item 5-1, the Balance Sheet as of August 31, 2024.

ON MOTION OF Member Bjerke, seconded by Member Kinzly, the Committee approved the Balance Sheet as of September 31, 2024.

AYES: Macedo, Japlit, Bjerke, Kinzly
ABSENT: Drager
ABSTAIN: None
NOES: None

7. Schedule of Finance Committee Meeting for 2025

Martin Cherry, Operations Administrator of First 5 San Diego reviewed the proposed schedule of Finance Committee meetings for 2025.

ON MOTION OF Member Japlit, seconded by Member Bjerke, the Committee approved the proposed schedule for Finance Committee meetings for 2025 subject to scheduling and approval of the 2025 Commission meetings from the Board of Supervisors.

AYES: Macedo, Japlit, Bjerke, Kinzly
ABSENT: Drager
ABSTAIN: None
NOES: None

8. Finance Committee Membership for 2025 & 2026

Members discussed the recommended Finance Committee membership for calendar years 2025 & 2026, including the Chair and Vice-Chair. Members determined that the following membership be adopted:

Chair: Ricardo Macedo
Vice-Chair: Charissa Japlit (alternate: TBD)
Members: Tracy Drager (alternate: Julie Bjerke)
RC Kinzly (alternate: Kevin Foley)

ON MOTION OF Member Kinzly, seconded by Member Bjerke, the Committee approved the Finance Committee membership for the calendar years 2025 & 2026 as listed above.

AYES: Macedo, Japlit, Bjerke, Kinzly
ABSENT: Drager
ABSTAIN: None
NOES: None

9. Executive Director Report

Executive Director Arguilez provided an update to the Committee:

- F5SD is a dues-paying member of First 5 Association (F5A) which provides advocacy, lobbying, funding and systems change on our behalf. F5A is going to be presenting a new formula for the next cycle in 2025.
- For the first time, F5SD hosted First 5 California's commission meeting in August with over 75% of the state county commissions in attendance. There was a \$25M sustainability ask to First 5 California (F5CA) to use their \$25M reserve as an unrestricted grant to some of the county commissions for their programming and operational expenses. This was presented as an information-only agenda item and had a majority of support among the public speakers. The state commission's Finance Committee will be meeting in October to discuss this \$25M ask. Additionally, the Children First Collective of San Diego presented on our local advocacy efforts to support child care, working families and providers throughout the region.

- Medi-Cal Transformation is in progress across the state with new, authorized benefits for Medi-Cal beneficiaries. The Enhanced Care Management (ECM) dollars is where we are looking at our Contractors to leverage these funds.
- For future procurements we will look to requiring match funding.
- In addition to Medi-Cal efforts, Federal Title IVE which are child welfare dollars focusing on prevention. We started a pilot of this program last year with one of our home visiting contractors and are targeting other possible prevention funding. We have found that if we can claim around \$2M expense, we can then draw down 50% of that amount. There is approximately \$4.5M in home visiting Prop 10 dollars because we partner with the County in the home visiting space for \$4M with an anticipated \$1M cut that we will bridge for our contractors. As Prop 10 funds decline, we expect the County dollars to make up for those losses. Our Prop 10 revenue is based on the number of live births within the County.
- Our annual report for the last fiscal year will be presented to the Commission in November.
- There has been engagement with impacted contractors whose contracts will be terminated at the end of the year. To date, we have met with all four of those contractors. Most are relatively small dollar contracts (\$1M - \$1.2M) with larger contracts to be decreased in the future to reach the total \$13M in funding decrease for FY25 and beyond.

10. Future Agenda Items

- 2nd Quarter reports & budget projections for FY24-25 at the January 2025 meeting.

11. Adjournment

Chair Macedo adjourned the meeting at 10:04am to reconvene on January 16, 2025.

Notes by Karen Hays